South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 · www.aqmd.gov

June 27, 2014

Douglas Price
Managing Director Refining Environmental
Tesoro Refining & Marketing Co, LLC (ID 174655)
P.O. Box 6210
Carson, CA 90749

Dear Douglas Price:

Enclosed is your re-issued Facility Permit for Compliance Year 2014. This reissuance is an Administrative Permit Revision to your Title V Facility Permit and only includes Section B (RECLAIM Annual Emission Allocations) in accordance with Rule 2002(b)(4).

Please review the enclosed Section B carefully, as it will be part of your official Facility Permit. The changes are stated below. Please note that the South Coast Air Quality Management District (SCAQMD) rules allow you to appeal the terms and conditions of any sections of the enclosed Facility Permit by petitioning the Hearing Board within thirty days of receipt of the permit.

You have recently been sent an invoice for the annual operating renewal fee for your facility permit. This must be paid on or before the due date indicated on the invoice or your facility permit will expire due to non-payment of fees.

A. Facility Permit

The enclosed Facility Permit contains changes described as follows:

1. The revision numbers and dates of the Title Page and the Table of Contents have been updated to reflect the reissuance of the relevant permit sections.

2. Section B – RECLAIM Annual Emission Allocation
   Section B has been updated to reflect all RECLAIM Trading Credits transactions that have been approved by SCAQMD through June 24, 2014. Please be sure to take any changes to your RTC holdings occurring after this date into consideration when reconciling your facility's quarterly and year-to-date emissions.

   In addition, the AQMD has updated Section B of the Facility Permit to list your facility's allocation balances for the next fifteen years pursuant to Rule 2002(b)(4). Also, your facility's Starting Allocation and Non-Tradable RTCs in Compliance Year

1994 are listed within this section. This establishes the level used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) – Trading Zone Restrictions.

B. Appeals

As previously mentioned, if you determine that certain changes or clarifications need to be made to the enclosed permit, you may appeal the terms and conditions by petitioning the Hearing Board within thirty days of receipt. If you determine there are administrative errors in these permit sections, please notify SCAQMD staff within thirty days of receipt of your permit sections. Your facility is still bound by the requirements of your entire Facility Permit while your appeal is under consideration by SCAQMD staff and/or Hearing Board.

Any comments or questions regarding your RECLAIM Facility Permit may be directed to Mr. Tran Vo, Air Quality Analysis and Compliance Supervisor at (909) 396-2579.

Sincerely,

Danny Luong, P.E.
Senior Manager
RECLAIM Admin.,
Refinery Permitting,
Retail Gasoline Dispensing

Enclosure

cc: Gerardo C. Rios, USEPA (via email to R9AirPermits_SC@epa.gov)
Edwin Pupka, SCAQMD

FACILITY PERMIT TO OPERATE

TESORO REFINING & MARKETING CO, LLC
2350 E 223RD ST
CARSON, CA 90810

NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Barry R. Wallerstein, D. Env.
EXECUTIVE OFFICER

By _____
Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering & Compliance

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TESORO REFINING & MARKETING CO, LLC

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SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of NOx RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total NOx emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin (month/year)	End	Zone	NOx RTC Initially Allocated	NOx RTC [1] Holding as of 07/01/2014 (pounds)	Non-Tradable [2] Non-Usable RTCs (pounds)
7/2012	6/2013	Coastal	1485062	67397	0
1/2013	12/2013	Coastal	0	451993	0
7/2013	6/2014	Coastal	1485062	1154018	0
7/2013	6/2014	Inland	0	64325	0
1/2014	12/2014	Coastal	0	458514	0
7/2014	6/2015	Coastal	1485062	1155234	0
7/2014	6/2015	Inland	0	64325	0
1/2015	12/2015	Coastal	0	458514	0
7/2015	6/2016	Coastal	1485062	1155234	0
7/2015	6/2016	Inland	0	64325	0
1/2016	12/2016	Coastal	0	458514	0
7/2016	6/2017	Coastal	1485062	1155234	0
7/2016	6/2017	Inland	0	64325	0
1/2017	12/2017	Coastal	0	458514	0
7/2017	6/2018	Coastal	1485062	1155234	0
7/2017	6/2018	Inland	0	64325	0
1/2018	12/2018	Coastal	0	458514	0

Footnotes:

1. This number may change due to pending trades, emissions reported under Quarterly Certification of Emissions Report (QCER) and Annual Permit Emission Program (APEP) Report required pursuant to Rule 2004, or deductions made pursuant to Rule 2010(b). The most recent total RTC information can be obtained from the District's RTC Listing.

2. The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.

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7/2018	6/2019	Coastal	1485062	1155234	0
7/2018	6/2019	Inland	0	64325	0
1/2019	12/2019	Coastal	0	458514	0
7/2019	6/2020	Coastal	1485062	1155234	0
7/2019	6/2020	Inland	0	64325	0
1/2020	12/2020	Coastal	0	458514	0
7/2020	6/2021	Coastal	1485062	1155234	0
7/2020	6/2021	Inland	0	64325	0
1/2021	12/2021	Coastal	0	458514	0
7/2021	6/2022	Coastal	1485062	1155234	0
7/2021	6/2022	Inland	0	64325	0
1/2022	12/2022	Coastal	0	458514	0
7/2022	6/2023	Coastal	1485062	1155234	0
7/2022	6/2023	Inland	0	64325	0
1/2023	12/2023	Coastal	0	458514	0
7/2023	6/2024	Coastal	1485062	1155234	0
7/2023	6/2024	Inland	0	64325	0

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Year Begin (month/year)	End	Zone	NOx RTC Initially Allocated	NOx RTC [1] Holding as of 07/01/2014 (pounds)	Non-Tradable [2] Non-Usable RTCs (pounds)
1/2024	12/2024	Coastal	0	458514	0
7/2024	6/2025	Coastal	1485062	1155234	0
7/2024	6/2025	Inland	0	64325	0
1/2025	12/2025	Coastal	0	458514	0
7/2025	6/2026	Coastal	1485062	1155234	0
7/2025	6/2026	Inland	0	64325	0
1/2026	12/2026	Coastal	0	458514	0
7/2026	6/2027	Coastal	1485062	1155234	0
7/2026	6/2027	Inland	0	64325	0
1/2027	12/2027	Coastal	0	458514	0
7/2027	6/2028	Coastal	1485062	1155234	0
7/2027	6/2028	Inland	0	64325	0
1/2028	12/2028	Coastal	0	458514	0
7/2028	6/2029	Coastal	1485062	1155234	0
7/2028	6/2029	Inland	0	64325	0
1/2029	12/2029	Coastal	0	458514	0

Footnotes:

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2. The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.

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The annual allocation of SOx RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total SOx emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin (month/year)	End	Zone	SOx RTC Initially Allocated	SOx RTC [1] Holding as of 07/01/2014 (pounds)	Non-Tradable [2] Credits (NTCs) (pounds)
7/2012	6/2013	Coastal	626787	30501	
1/2013	12/2013	Coastal	0	378391	
7/2013	6/2014	Coastal	626787	579533	
1/2014	12/2014	Coastal	0	258286	
7/2014	6/2015	Coastal	626787	496264	
1/2015	12/2015	Coastal	0	304786	
7/2015	6/2016	Coastal	626787	496264	
1/2016	12/2016	Coastal	0	308286	
7/2016	6/2017	Coastal	626787	496264	
1/2017	12/2017	Coastal	0	236181	
7/2017	6/2018	Coastal	626787	412995	
1/2018	12/2018	Coastal	0	236181	
7/2018	6/2019	Coastal	626787	412995	
1/2019	12/2019	Coastal	0	220713	
7/2019	6/2020	Coastal	626787	354726	
1/2020	12/2020	Coastal	0	220713	
7/2020	6/2021	Coastal	626787	354726	

Footnotes:

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1/2021	12/2021	Coastal	0	220713	
7/2021	6/2022	Coastal	626787	354726	
1/2022	12/2022	Coastal	0	220713	
7/2022	6/2023	Coastal	626787	354726	
1/2023	12/2023	Coastal	0	220713	
7/2023	6/2024	Coastal	626787	354726	
1/2024	12/2024	Coastal	0	220713	
7/2024	6/2025	Coastal	626787	354726	
1/2025	12/2025	Coastal	0	220713	
7/2025	6/2026	Coastal	626787	354726	
1/2026	12/2026	Coastal	0	220713	
7/2026	6/2027	Coastal	626787	354726	
1/2027	12/2027	Coastal	0	220713	
7/2027	6/2028	Coastal	626787	354726	
1/2028	12/2028	Coastal	0	220713	
7/2028	6/2029	Coastal	626787	354726	
1/2029	12/2029	Coastal	0	220713	

Footnotes:

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The annual allocation of RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. If the facility submits a permit application to increase in an annual allocation to a level greater than the facility's starting Allocation plus Non-Tradable credits as listed below, the application will be evaluated for compliance with Rule 2005 (c)(4). Rule 2005 (e) - Trading Zone Restrictions applies if an annual allocation is increased to a level greater than the facility's Starting Allocation plus Non-Tradable Credits:

Year Begin (month/year)	Year End (month/year)	Zone	NOx RTC Starting Allocation (pounds)	Non-Tradable Credits(NTC) (pounds)
7/1994	6/1995	Coastal	3706790	0

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Year Begin (month/year)	Year End (month/year)	Zone	SOx RTC Starting Allocation (pounds)	Non-Tradable Credits(NTC) (pounds)
7/1994	6/1995	Coastal	3702692	0